

**MINUTES
OF THE
HISTORIC PRESERVATION ADVISORY COMMITTEE (HPAC)
OF
ARIZONA STATE PARKS
MEETING OF SEPTEMBER 21, 2009
Arizona State Parks, Board Room
1300 W. Washington St., Phoenix, AZ**

A. CALL TO ORDER AND ROLL CALL

Chair Thorne called the meeting to order at 10:17am. Ms. Shulman called the roll and noted that there was not a quorum. Chair Thorne began the discussion of item

Committee Members Present: Winston Thorne, Chair
Tess Nesser (*via telephone beginning 10:35am*)
Joe Nucci
Vic Linoff
Bonnie Bariola (*arrived 10:37am*)

Committee Members Absent: Tami Ryall

Arizona State Parks Staff Present: Doris Pulsifer, Chief of Grants
Vivia Strang, Historic Preservation Grants
Coordinator
Danielle Silvas, Grant Coordinator
Bill Collins, SHPO
Ruth Shulman, Advisory Group Coordinator

Guests: None

B. INTRODUCTION OF MEMBERS AND STAFF

This item dispensed with in the interest of time.

C. ACTION ITEMS

1. Approval of the August 17, 2009 Meeting Minutes

Mr. Nucci moved to accept the minutes as presented. Mr. Linoff seconded the motion, which carried with no further discussion. (*This item completed following Ms. Nesser and Ms. Bariola's arrival.*)

D. WORK SESSION

1. Items to Include in the Report to the Arizona State Parks Board at the Meeting on November 13, 2009

Ms. Pulsifer said that one plan for the November ASP Board meeting (in addition to the presentation) was for the ASP Board to award plaques and perhaps name one "HPAC Project of the Year" for the ASP Board to award as well. Ms. Strang also distributed handouts on the Governor's Historic Preservation Awards as presented at the Historic Preservation Conference recently.

Ms. Pulsifer said that suggested slides for the presentation were available for review. These mostly consist of project slides “recycled” from last year’s presentation. Chair Thorne asked if the slides represented 3 to 5 years of momentum in the grant projects, and demonstrated the success of having two grant cycles annually. Mr. Linoff suggested that project completion dates should be added for clarity. Ms. Pulsifer noted that the slides show a range of work projects; schools, homes, churches, etc. Chair Thorne asked whether there was a graphic showing data on the dollar-value of the projects, the number of projects, etc. Ms. Strang said that she had completed a “scorecard” with detailed information on the program and projects, which could be converted to a visual “graph” slide. Chair Thorne asked if the amount of the Lottery income could be included. Mr. Nucci asked what this slide would demonstrate. Chair Thorne said it would show the efforts and successes, but that the funding of the program does not match the increased Lottery funding, and that program funds should be able to increase with growth in the Lottery funds, etc.

Mr. Nucci noted that reminding the ASP Board that the Historic Preservation grant program is the sole source for bricks-and-mortar preservation and restoration funding in Arizona. Chair Thorne noted that the language of the Heritage Fund statute does not protect the funds from “sweeping” by the Legislature, so it is always in danger of being a sort of piggybank when the state comes up short in funds. Mr. Linoff noted that there is legislation being contemplated that would repeal the voter-protected-funding statute (which does not include the Heritage Fund in any case). However, if the funds do become protected, they should also be indexed in some way to increase the availability of funds to grant programs, especially if Lottery revenues are increased.

(At this point Ms. Nesser connected via telephone and Ms. Bariola arrived. Chair Thorne recapped the meeting thus far.)

Mr. Nucci asked about the content of the ASP Board agenda for the November 13, 2009 meeting, besides the presentations from advisory committees. Ms. Pulsifer said that the agenda aside from the presentations had not yet been set. However, she feels the presentations will resemble last year’s in that the presentations themselves should take more or less five minutes each, with an additional five or so minutes for Q&A from the ASP Board. The presentation usually concerns accomplishments, concerns and goals for the upcoming year.

Mr. Linoff said that while accomplishments for this year have been curtailed due to budget issues, and that the meeting of the Joint Legislative Budget Committee (JLBC) will provide more guidance as to the future, he would like to see the presentation given over to the seriousness of the situation with the Heritage Funds. While it’s appropriate to show the successes of the program and the affects to local economies around the state, it is also appropriate to show what happens when the funds disappear. A brief conversation on the JLBC followed, as well as a mid-fiscal-year “sweep” of funds by the Legislature. The affect of any mid-year-sweep is unknown at this point, however it could result in cancellation of any grant projects reinstated after being put on hold.

Mr. Linoff said that the visual presentation should include information on the impact of the grant suspension, and how the properties have fared since. If the grant funds are restored, it will still be necessary to present the need for protecting the funds in the future. He also said that HPAC, as briefly mentioned last year, will offer its services to the Board to any degree necessary to help work toward protecting the funds. He noted that although the language in the statute does not protect the funds, the voter intent in

passing the initiative was clear. Heritage Funds should be used only for those purposes the voters believe they are being used for, not for the Legislature to sweep at any opportunity. He said that even if the grant funds are restored by the JLBC, there is not likely to be a flood of new applications in the future. The ASP Board has had their reputation damaged, which he finds troubling.

Ms. Bariola said that, in her capacity as a member of the Florence Preservation Foundation, she has three suspended grant projects. She is reluctant to be excited about the possible reinstatement of funds, because they could still be taken back the Legislature at any time. There is a lack of trust in the process now. The ASP Board should be aware of this. Especially since two projects had completed their construction documentation when the suspension took place. Those documents are now outdated. There are unintended consequences of the suspension with almost all projects.

Ms. Bariola had another issue with ASP Executive Staff's position on "all or nothing" with grant project funding. The economy has had an affect on how the financing for projects. She had advised Executive Staff that "all or none" did not apply. Some projects were ready to continue regardless. Chair Thorne said that this same issue affects all of the construction industry, not just the grant programs. Financing has affected even parks that need to remain open, but don't really have the budget to do so. The conversation returned to the JLBC and their agenda, which may or may not include the ASP budget review. Ms. Pulsifer will follow up.

Chair Thorne said that the specific points to be delivered should be made without too much extra information due to the short time. Mr. Linoff said that since HPAC's major purpose is to provide advice on the expenditure of Heritage Funds for Historic Preservation grants, the presentation should focus on protecting those funds, and indexing disbursements according to some measurable mark (inflation, revenues, etc.). The presentation should also present some solution to the ASP Board.

Ms. Bariola suggested showing one success story, and then continue by noting the affect of the suspension on some of the properties. Chair Thorne said that it might be most effective to display a blank screen, noting that it represented the future of historic preservation in Arizona. Chair Thorne went back to having a visual/data slide to show the affect on project for the ASP Board. Ms. Bariola said that the information to present such a slide is available from Staff. Ms. Strang said that the successes of the past years show where the program has progressed. Because the ASP Board is working on developing community relationships, it may be helpful to show how these projects also develop community relationships.

Mr. Nucci suggested showing some before-and-after photos of projects, and keeping a positive tone. Using these projects could be the springboard to showing why protecting the funds is necessary, and how the program could expand with the indexed increase. Presenting a solution to the problem or even offering to assist in finding the solution would also be good. Some further discussion on working with the ASP Board and information gleaned from the Historic Preservation Conference took place.

Mr. Linoff said that historic preservation is something of an odd piece in the ASP arena seeing that it has little to do with parks. It is important to make the Legislature realize the importance of Parks (in themselves and through programs) to the populace of Arizona. The ASP Board should be engaged in helping to find strategies to get past this.

Mr. Nucci suggested getting a definition of “preservation” in this context. He feels that Director Bahl may be bringing a new definition of what are eligible preservation activities under the Heritage Fund and Parks’ mandate. During Director Bahl’s budget presentation in July, there had been some question as to what is and is not permissible. She noted at that time that the Heritage Fund statute provides some latitude in the uses of the funds. Mr. Nucci suggested that HPAC decide whether to pursue the presentation as being from “experts” or from “constituents with an opinion”. Mr. Linoff responded about the ambiguity of the Heritage Fund Legislation and further discussion followed.

Ms. Bariola asked Chair Thorne what could possibly be presented to the ASP Board to retain the Heritage Fund Historic Preservation component.

Ms. Silvas suggested retaining the positive at the beginning of the presentation and then move on to a set of goals for the next year, which could include Heritage Fund protection and the other items previously discussed. Ms. Nesser noted that the continual raids on the Heritage Fund should be part of any discussion on a long-term fix for Parks. *(At this point, Ms. Nesser left the meeting.)*

Chair Thorne noted that HPAC has invited Director Bahl to the meetings, however she has been unable to attend to date. There is a sense in which HPAC is in the middle, between providing good advice to the Board and supporting great historic preservation projects. He feel that developing relationships is of the utmost importance, and going before the Legislature, with or without the Board’s company, is also of the utmost importance.

Mr. Linoff noted that these are important points to make, especially couched as advice to the ASP Board. Chair Thorne then asked if a presentation based on program success with a slide of “advice points” would be the way to go. Mr. Nucci said that the accomplishments could speak for themselves, as a “background” slide-show such as last year’s presentation. That way the meat of this presentation could be solutions, etc. Mr. Nucci then asked about the difference between “protection of Heritage Funds” and “protection of use of Heritage Funds”. Ms. Pulsifer noted that protection of the funds would be some way to prevent the Legislature from sweeping the funds. Ms. Bariola said the protection of the use would be something along the lines of what was discussed during the Picket Post purchase discussions last year.

Ms. Bariola noted that she has been at every ASP Board meeting this year, save the one on September 11, and she finds that the Board itself defines proper uses of funds liberally as well, such as the purchase the Picket Post House. She feels this is a problem in that to her understanding, voters intended a grant program for historic preservation all across the state. Further discussion on the public perception of the Heritage Fund followed, including discussion of how and when the Arizona Lottery initiative passed, as well as the relationship between the Heritage Fund and the Lottery.

Ms. Bariola asked if Chair Thorne felt enough discussion had taken place to begin to finalize the frame of the presentation. Chair Thorne outlined the following points:

- Protecting the Heritage Fund – perceptions vs. realities?
- Protection of Heritage Fund usage – bricks & mortar grants?
- Indexed increase mechanism?
- Successes

Mr. Nucci asked if the HPAC was advocating new legislation to protect the Heritage

Fund. Ms. Bariola noted that taking this question to voters now probably could not be done. Mr. Linoff said that the Heritage Fund Alliance (HFA) is working on this issue, and they should be deferred to. Mr. Nucci noted that the HFA should be invited to this ASP Board meeting.

Mr. Linoff suggested that the ASP Board be asked to use the Heritage Funds on for those purposes originally intended, and to let them know that historic preservation in Arizona will cease when there are no longer Heritage Funds for this purpose. It was noted that the current budget issues have caused ASP to use the Heritage Funds for other purposes. Ms. Pulsifer said that the beginning of last fiscal year brought in \$30M for operations; this eventually dropped to \$21M. Following the reinstatement of the Budget Reconciliation Bills for FY2010, Parks budget amounts \$19M. This is \$2M short of the barest bones operating, and will result of reducing staff in the Phoenix office.

Mr. Collins said that the focus of the ASP Board is to keep parks open; this mostly happens at the expense of anything else. He also noted that the ASP Mission Statement includes the partnership aspect of accomplishing the Parks' self-adopted mission. Mr. Linoff noted that it might be useful to remind the ASP Board of the multiplier effect of grant funds going into the communities.

Chair Thorne said that part of the presentation should be letting the ASP Board know the HPAC perception of the elimination of Heritage Fund historic preservation. Further discussion of the economy followed, as part of the discussion of increasing revenues from the Heritage Fund.

Chair Thorne asked about the direction of other advisory groups, and what they are going to present; what their futures look like. Ms. Pulsifer noted that it was not known what the Arizona Outdoor Recreation Coordinating Commission (AORCC) would be doing. Ms. Silvas said that she mostly worked with AORCC, but that the Arizona State Commission on Trails (ASCOT) and the Off-Highway Vehicle Advisory Group (OHVAG) just completed the Arizona Trails Plan 2010. Ms. Bariola said that ASCOT has another duty, which is recommending trails into the State Trails System. Ms. Silvas said that this was one reason to explore goals for the upcoming future. That will help HPAC have more and better advice to give the ASP Board. Chair Thorne said that mitigation projects will be booming because deterioration will continue; perhaps there would be stimulus funds. He noted that HPAC main role is to advise on preservation projects. Ms. Shulman said that the other advisory committees have "portfolios" that include federal funds, input on federal travel management plans, and land management procedures and policies. The money for the Conservation Acquisition Board is still available. It is probable that HPAC has "interim" duties to do until the money cycle rolls back around.

Mr. Linoff asked whether a draft of these minutes could be provided as soon as possible to assist HPAC in developing their presentation to the ASP Board. Ms. Shulman said she would send a draft as soon as possible. Mr. Linoff then said that HPAC's role is to advocate for preservation whenever possible. He also suggested that HPAC communicate to the JLBC that they should favorably review the ASP budget items. Ms. Silvas said that reinstatement of the grants comes from the Board based on the JLBC's favorable review.

E. REPORTS

1. Agency Budget Update

This item discussed above.

2. Grant Staff Update

Ms. Pulsifer noted that Vivia Strang was now working with SHPO as the National Register Coordinator. She will still be the Historic Preservation Grant Coordinator by title. This is a special assignment for Ms. Strang, who is filling in. Ms. Pulsifer also noted that Danielle Silvas will be taking on the duties of the Historic Preservation Grant Coordinator while Ms. Strang is working with SHPO. Ms. Silvas has taken on the grant coordinator duties for several programs. She will be attending the HPAC meetings.

3. SHPO Staff Update

Mr. Collins noted that Jim Garrison's surgery was successful, and he is expected to return by the end of next month.

F. CALL TO THE PUBLIC

No response.

G. SUMMARY OF CURRENT EVENTS, MATTERS OF BOARD PROCEDURE, REQUESTS AND ITEMS FOR FUTURE AGENDAS, ASPB DISCUSSION

Future agenda items: Discuss first draft of presentation; discuss potential ASPB presentation of 'HPAC's Project of the Year' in addition to presenting bronze plaques at the November 13, 2009 meeting.

H. TIME AND PLACE OF NEXT MEETING

October 5, 2009 – ASP Board Room – 10:00am

I. ADJOURNMENT

The meeting was adjourned at 12:27pm.